

CITY OF EAU CLAIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES December 31, 2003

Total fund balance - governmental funds	\$	50,111,616
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Capital assets at year end (excluding internal service funds) consist of:

Capital assets	\$ 151,450,253	
Accumulated depreciation	<u>(51,556,506)</u>	99,893,747

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:

Premium on new debt	(103,186)
Debt issuance costs on new debt	131,343
Amortization of debt issuance costs	(1,635)
Amortization of premium	1,284

Special assessments, loans receivable, and various other receivables are reported as deferred revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. These types of deferred revenues at year end consist of:

Delinquent property taxes receivable	113,930	
Accounts receivable	1,908,503	
Interest receivable	15,094	
Loan receivable	5,651,773	
Special assessments	<u>8,478,536</u>	16,167,836

Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

24,908,383

Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements.

Long-term liabilities at year end consist of:

General obligation debt	45,741,010	
Vested compensated absences	2,025,950	
Police and fire pension liability	864,636	
Unfunded pension liability	8,416,180	
Duty disability liability	3,990,722	
Accrued interest on general obligation debt	<u>523,795</u>	<u>(61,562,293)</u>

Total net assets - governmental activities	\$	<u>129,547,095</u>
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See accompanying notes to the basic financial statements.